

PIPER JAFFRAY DEBT CAPITAL MARKETS UPDATE

The Piper Jaffray Debt Capital Markets Update is published weekly and provides a summary and analysis of debt capital markets activity. To subscribe/unsubscribe, visit www.piperjaffray.com/dcmupdate

MARKET COMMENTARY

The high-yield market priced 31 bonds last week, bringing year-to-date issuance to more than \$160 billion. The middle market launched six new loan transactions last week for Grande Communication, Hoyts, Jimmy Sanders, Ozburn-Hessey Logistics, School Specialty and TeleGuam Holdings.

Loan and high-yield funds saw \$1.03 billion and \$789 million in inflows, respectively. Year-to-date, loan funds have seen \$18.9 billion in inflows, while inflows to high-yield funds total \$2.5 billion.

The secondary high-yield market was up this week, closing at 107.64% of par to yield 5.86%.

Source: Piper Jaffray, S&P LCD, Bloomberg

New Leveraged Loans – In the Market

Middle Market	Facility Amt. (\$MM)	LIBOR Floor	Spread	OID	Senior Total			Lead Arranger	Sponsor	Company Focus	Purpose
					Lev.	Lev.	Date				
Grande Communications (TLB)	\$260.0	1.00%	L + 400	\$99.5	4.7x	NA	May-13	SunTrust	ABRY Partners	Telecom	Dividend Recap
Grande Communications (RC)	\$35.0	1.00%	L + 400	\$99.5	4.7x	NA	May-13	SunTrust	ABRY Partners	Telecom	Dividend Recap
Hoyts (1st)	\$310.0	1.00%	L + 350	\$99.5	4.0x	5.3x	May-13	CS	Pacific Equity	Entertainment	Dividend Recap
Hoyts (2nd)	\$100.0	1.00%	L + 750	\$99.0	4.0x	5.3x	May-13	CS	Pacific Equity	Entertainment	Dividend Recap
Hoyts (RC)	\$40.0	1.00%	L + 350	\$99.5	4.0x	5.3x	May-13	CS	Pacific Equity	Entertainment	Dividend Recap
Jimmy Sanders (TLB)	\$350.0	1.00%	L + 375	\$100.0	NA	NA	May-13	CS	Apollo	Food & Beverage	Refinancing
Ozburn-Hessey (TLB)	\$270.0	1.25%	L + 550	\$99.0	NA	4.9x	May-13	BOA	Welsh Carson	Transportation	Refinancing
School Specialty (TLB)	\$125.0	1.00%	L + 850	\$98.0	NA	3.3x	May-13	CS	Not Sponsored	Forest Product	Refinancing
TeleGuam Holdings (1st)	\$122.0	1.25%	L + 400	\$99.5	3.7x	5.0x	May-13	BNP	Advantage Partners	Telecom	Dividend Recap
TeleGuam Holdings (2nd)	\$42.0	1.25%	L + 775	\$99.0	3.7x	5.0x	May-13	BNP	Advantage Partners	Telecom	Dividend Recap
TeleGuam Holdings (RC)	\$10.0	1.25%	L + 400	\$99.0	3.7x	5.0x	May-13	BNP	Advantage Partners	Telecom	Dividend Recap

Source: Piper Jaffray, S&P LCD, Capital IQ

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New Leveraged Loans – In the Market

Large Cap	Facility Amt. (\$MM)	LIBOR Floor	Spread	OID	Senior Lev.	Total Lev.	Date	Lead Arranger	Sponsor	Company Focus	Purpose
Alliance HealthCare (TLB)	\$340.0	1.00%	L + 350	\$99.5	NA	NA	May-13	CS	Not Sponsored	Healthcare	Refinancing
Alliance HealthCare (RC)	\$50.0	1.00%	L + 350	\$99.5	NA	NA	May-13	CS	Not Sponsored	Healthcare	Refinancing
Alpha Natural (TLB)	\$500.0	1.00%	L + 300	\$99.5	NA	NA	May-13	Citigroup	Not Sponsored	Metals & Mining	Refinancing
Arysta Life Science (1st)	\$1,100.0	1.00%	L + 400	\$99.5	NA	NA	May-13	JPM	Permira	Chemicals	Refinancing
Arysta Life Science (2nd)	\$555.0	1.25%	L + 750	\$98.0	NA	NA	May-13	JPM	Permira	Chemicals	Refinancing
Arysta Life Science (RC)	\$150.0	1.00%	L + 400	\$99.5	NA	NA	May-13	JPM	Permira	Chemicals	Refinancing
BlackBrush TexStar (TLB)	\$675.0	1.25%	L + 700	\$99.0	NA	NA	May-13	UBS	EIG Global Energy	Oil & Gas	Refinancing
Brickman Group (TLB)	\$537.9	1.00%	L + 350	\$100.0	3.4x	5.7x	May-13	Barclays	Leonard Green	Services	Refinancing
Bristow Group (RC)	\$350.0	TBD	TBD	TBD	NA	NA	May-13	SunTrust	Not Sponsored	Transportation	Refinancing
Burlington Coat Factory (TLB)	\$871.0	1.00%	L + 325	\$100.0	NA	NA	May-13	JPM	Bain Capital	Retail	Refinancing
CNO Financial Group (TLB)	\$425.0	1.25%	L + 375	\$99.0	NA	NA	May-13	GS	Not Sponsored	Insurance	Refinancing
CNO Financial Group (RC)	\$50.0	1.25%	L + 375	\$99.0	NA	NA	May-13	GS	Not Sponsored	Insurance	Refinancing
CSM Bakery (1st)	\$650.0	1.00%	L + 400	\$99.0	NA	NA	May-13	MS	Rhone Capital	Food & Beverage	LBO
CSM Bakery (2nd)	\$200.0	1.00%	L + 775	\$98.0	NA	NA	May-13	MS	Rhone Capital	Food & Beverage	LBO
CSM Bakery (RC)	\$150.0	1.00%	L + 400	\$99.0	NA	NA	May-13	MS	Rhone Capital	Food & Beverage	LBO
Entravision Comm. (TLB)	\$375.0	1.00%	L + 300	\$100.0	NA	NA	May-13	GE	Not Sponsored	TV	Refinancing
Entravision Comm. (RC)	\$30.0	1.00%	L + 300	\$100.0	NA	NA	May-13	GE	Not Sponsored	TV	Refinancing
Getty Images (TLB)	\$1,895.0	1.00%	L + 275	\$100.0	4.9x	6.4x	May-13	Barclays Bank	Carlyle Group	Services	Refinancing
Global Tel Link (1st)	\$590.0	1.25%	L + 400	\$99.0	NA	NA	May-13	CS	American Securities	Telecom	Dividend Recap
Global Tel Link (2nd)	\$255.0	1.25%	L + 800	\$98.0	NA	NA	May-13	CS	American Securities	Telecom	Dividend Recap
Global Tel Link (RC)	\$40.0	1.25%	L + 400	\$99.0	NA	NA	May-13	CS	American Securities	Telecom	Dividend Recap
LifeCare Holdings (TLB)	\$200.0	1.25%	L + 525	\$98.5	NA	NA	May-13	GE	Not Sponsored	Healthcare	Refinancing
LifeCare Holdings (RC)	\$30.0	1.25%	L + 525	\$98.5	NA	NA	May-13	CS	Not Sponsored	Healthcare	Refinancing
MGM Resorts (TLB)	\$1,746.0	1.00%	L + 250	\$100.0	NA	NA	May-13	BOA	Not Sponsored	Gaming & Hotel	Refinancing
Murray Energy (TLB)	\$300.0	TBD	TBD	TBD	NA	NA	May-13	GS	Not Sponsored	Metals & Mining	Refinancing
Pacific Drilling (TLB)	\$750.0	1.00%	L + 400	\$99.0	NA	NA	May-13	Citigroup	Not Sponsored	Oil & Gas	Refinancing
Pacific Drilling (RC)	\$500.0	1.00%	L + 325	\$99.0	NA	NA	May-13	Citigroup	Not Sponsored	Oil & Gas	Refinancing
Pact Group (TLB)	\$925.0	1.25%	L + 350	\$99.5	NA	NA	May-13	JPM	Not Sponsored	Chemicals	Dividend Recap
Pact Group (RC)	\$100.0	1.25%	L + 350	\$99.5	NA	NA	May-13	JPM	Not Sponsored	Chemicals	Dividend Recap
SeaWorld (TLB)	\$1,405.0	0.75%	L + 250	\$99.8	NA	NA	May-13	BOA	Not Sponsored	Entertainment	Refinancing
Tempur-Pedic (TLB)	\$643.0	0.75%	L + 275	\$100.0	NA	NA	May-13	BOA	Not Sponsored	Home Furnishings	Refinancing
Universal Health (TLB)	\$748.0	0.00%	L + 250	\$100.0	NA	NA	May-13	BOA	Not Sponsored	Healthcare	Refinancing
US Airways (TLB)	\$1,600.0	1.00%	L + 375	\$99.0	NA	NA	May-13	Citigroup	Not Sponsored	Transportation	Refinancing
Vantiv (TLA)	\$1,850.0	0.00%	L + 175	\$100.0	NA	NA	May-13	JPM	Not Sponsored	Electronics	Dividend Recap
Vantiv (RC)	\$250.0	0.00%	L + 175	\$100.0	NA	NA	May-13	JPM	Not Sponsored	Electronics	Dividend Recap
YP (TLB)	\$775.0	1.25%	L + 600	\$98.5	NA	NA	May-13	JPM	Cerberus	Services	Dividend Recap
YP (RC)	\$450.0	1.25%	L + 600	\$98.5	NA	NA	May-13	JPM	Cerberus	Services	Dividend Recap

Source: Piper Jaffray, S&P LCD, CIC

Benchmark Yields

Benchmark	Current	Previous Week	Δ (bps)	Previous Year	Δ (bps)
2 yr UST	0.22%	0.20%	2.0	0.27%	(5.0)
5 yr UST	0.75%	0.65%	10.0	0.77%	(2.0)
10 yr UST	1.81%	1.66%	15.0	1.88%	(7.0)
30 yr UST	2.99%	2.83%	16.0	3.03%	(4.0)
3M LIBOR	0.28%	0.27%	1.0	0.47%	(19.0)

Source: Bloomberg

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Weekly Corporate New Issue Activity ⁽¹⁾Investment Grade⁽²⁾ – Week of 5/6/2013

Company	Ratings		Industry	Amt (\$MM)	Maturity	Spread	Coupon	Yield	Transaction Type
	Moody's	S&P							
Nederlandse Waterschapsbank	Aaa	AAA	Financial	\$1,500	10/27/14	+ 5	FRN	FRN	Sr. Unsecured
Austia & New Zealand Banking	Aa2	N/A	Financial	\$1,000	5/7/15	+ 20	FRN	FRN	Sr. Unsecured
Austia & New Zealand Banking	Aa2	N/A	Financial	\$750	5/15/18	+ 72	3.625%	1.5%	Sr. Unsecured
Austia & New Zealand Banking	Aa2	N/A	Financial	\$750	5/15/18	+ 56	FRN	FRN	Sr. Unsecured
Berkshire Hathaway	Aa2	N/A	Financial	\$500	5/15/18	+ 57	3.250%	1.3%	Sr. Unsecured
Berkshire Hathaway	Aa2	N/A	Financial	\$500	5/15/43	+ 135	10.750%	4.3%	Sr. Unsecured
Statoil	Aa2	N/A	Energy	\$900	1/15/24	+ 90	6.625%	2.7%	Sr. Unsecured
Statoil	Aa2	N/A	Energy	\$850	5/15/43	+ 95	9.875%	4.0%	Sr. Unsecured
Statoil	Aa2	N/A	Energy	\$500	5/15/18	+ 29	FRN	FRN	Sr. Unsecured
Statoil Asa	Aa2	N/A	Energy	\$750	5/15/18	+ 45	2.875%	1.2%	Sr. Unsecured
Banco del Estado de Chile	Aa3	AA-	Financial	\$700	11/9/17	+ 110	5.000%	2.1%	Sr. Unsecured
Nordea Bank	Aa3	AA-	Financial	\$1,250	5/15/18	+ 88	4.063%	1.6%	Sr. Unsecured
Nordea Bank	Aa3	AA-	Financial	\$625	5/13/16	+ 46	FRN	FRN	Sr. Unsecured
Nordea Bank	Aa3	AA-	Financial	\$625	5/13/16	+ 60	2.188%	0.9%	Sr. Unsecured
HSBC	Aa3	N/A	Financial	\$1,250	5/15/18	+ 80	3.750%	1.5%	Sr. Unsecured
HSBC	Aa3	N/A	Financial	\$750	5/15/18	+ 64	FRN	FRN	Sr. Unsecured
Harvest Operations	A1	A+	Energy	\$630	5/14/18	+ 145	5.313%	2.2%	Sr. Unsecured
Public Service Electric & Gas	A1	A	Utilities	\$500	5/15/23	+ 63	5.938%	2.4%	Sr. Unsecured
PACCAR Financial	A1	N/A	Financial	\$250	5/16/16	+ 43	1.875%	0.8%	Sr. Unsecured
PACCAR Financial	A1	N/A	Financial	\$200	5/5/15	+ 21	FRN	FRN	Sr. Unsecured
BP Capital Markets	A2	A	Energy	\$1,500	5/10/23	+ 108	6.875%	2.9%	Sr. Unsecured
BP Capital Markets	A2	A	Energy	\$1,250	5/10/18	+ 68	3.438%	1.4%	Sr. Unsecured
BP Capital Markets	A2	A	Energy	\$250	5/10/18	+ 51	FRN	FRN	Sr. Unsecured
Caterpillar	A2	A	Financial	\$350	3/1/23	+ 83	6.563%	2.7%	Sr. Unsecured
JPMorgan Chase	A2	A	Financial	\$2,000	5/15/18	+ 92	4.063%	1.7%	Sr. Unsecured
Oklahoma G&E	A2	N/A	Utilities	\$250	5/1/43	+ 90	9.750%	3.9%	Sr. Unsecured
Want Want China Finance	A3	N/A	Packaged Foods	\$600	5/14/18	+ 115	4.688%	1.9%	Sr. Unsecured
Federal Realty	Baa1	A-	Financial	\$275	6/1/23	+ 112	6.875%	2.9%	Sr. Unsecured
Johnson, S.C. & Son, Inc	N/A	A-	Household Products	\$400	5/15/43	+ 110	10.000%	4.1%	Sr. Unsecured
Xcel Energy	Baa1	BBB+	Utilities	\$450	5/9/16	+ 42	1.875%	0.8%	Sr. Unsecured
LeasePlan	Baa2	BBB+	Financial	\$750	5/16/18	+ 185	6.250%	2.6%	Sr. Unsecured
Northeast Utilities	Baa2	BBB+	Utilities	\$450	5/1/23	+ 107	7.000%	2.8%	Sr. Unsecured
Northeast Utilities	Baa2	BBB+	Utilities	\$300	5/1/18	+ 72	3.625%	1.5%	Sr. Unsecured
Hyatt Hotels	Baa2	BBB	Hotels	\$350	7/15/23	+ 165	8.438%	3.4%	Sr. Unsecured
Piedmont Operating Partnership	Baa2	BBB	Financial	\$350	6/1/23	+ 168	8.500%	3.4%	Sr. Unsecured
Inversiones CMPS	N/A	BBB	Basic Materials	\$500	5/15/23	+ 270	10.938%	4.5%	Sr. Unsecured
Oncor Electric Delivery	Baa3	A	Utilities	\$400	12/1/41	+ 160	11.375%	4.6%	Sr. Secured
Citigroup	Baa3	BBB+	Financial	\$1,250	5/15/23	+ 178	8.750%	3.6%	Sr. Unsecured
Perrigo Company	Baa3	BBB	Pharmaceuticals	\$600	5/15/23	+ 125	7.375%	3.0%	Sr. Unsecured
Ford Motor	Baa3	BB+	Financial	\$1,000	5/9/16	+ 140	4.250%	1.7%	Sr. Unsecured
Ford Motor	Baa3	BB+	Financial	\$500	5/9/16	+ 125	FRN	FRN	Sr. Unsecured
Instituto Costarricense	Baa3	N/A	Utilities	\$500	5/15/43	+ 338	15.938%	6.5%	Sr. Unsecured
Brinker International	Ba2	BBB-	Restaurants	\$300	5/15/23	+ 213	9.688%	3.9%	Sr. Unsecured
Brinker International	Ba2	BBB-	Restaurants	\$250	5/15/18	+ 188	6.500%	2.6%	Sr. Unsecured
Penta Aircraft Leasing	N/A	N/A	Financial	\$143	4/29/25	+ 87	4.228%	1.7%	Sr. Unsecured
State Street Corp	N/A	N/A	Financial	\$1,000	5/15/23	+ 135	7.750%	3.1%	Sr. Unsecured
State Street Corp	N/A	N/A	Financial	\$500	5/15/18	+ 63	3.375%	1.4%	Sr. Unsecured
University of Chicago	N/A	N/A	Education	\$205	10/1/45	+ 228	10.378%	4.2%	Sr. Unsecured
VCH Lease	N/A	N/A	Financial	\$156	5/15/25	+ 91	4.340%	1.7%	Sr. Unsecured

⁽¹⁾Bold transactions denote Piper Jaffray underwriting participation. Does not include Supranational, Foreign Denominations, Sovereign, Special Purpose Entities or Piper Jaffray issues.⁽²⁾Includes all split-rated issues

Source: Piper Jaffray, Bloomberg

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Weekly Corporate New Issue Activity ⁽¹⁾

High-Yield – Week of 5/6/2013									
Company	Ratings		Industry	Amt (\$MM)	Maturity	Spread	Coupon	Yield	Transaction Type
	Moody's	S&P							
Ball Corp	Ba1	BB+	Industrial	\$1,000	11/15/23	+ 220	0.400%	4.0%	Sr. Unsecured
Toll Brothers Finance Corp	Ba1	BB+	Homebuilding	\$400	4/15/23	+ 256	10.938%	4.4%	Sr. Unsecured
Commercial Metals	Ba2	BB+	Basic Materials	\$330	5/15/23	+ 311	12.188%	4.9%	Sr. Unsecured
Central American Bottling	Ba2	BB	Soft Drinks	\$300	2/9/22	+ 620	16.875%	7.0%	Sr. Unsecured
Brunswick	Ba3	BB	Leisure Products	\$150	5/15/21	+ 324	11.563%	4.6%	Sr. Unsecured
Targa Resources Partners	Ba3	BB	Energy	\$625	11/15/23	+ 249	10.625%	4.3%	Sr. Unsecured
General Motors	Ba3	BB-	Financial	\$1,000	5/15/16	+ 241	6.875%	2.8%	Sr. Unsecured
General Motors	Ba3	BB-	Financial	\$750	5/15/18	+ 250	8.125%	3.3%	Sr. Unsecured
General Motors	Ba3	BB-	Financial	\$750	5/15/23	+ 247	10.625%	4.3%	Sr. Unsecured
First Quality Finance	B2	BB-	Personal Products	\$600	5/15/21	+ 276	11.563%	4.6%	Sr. Unsecured
Seminole Hard Rock	B2	BB-	Casinos & Gaming	\$350	5/15/21	+ 450	14.688%	5.9%	Sr. Unsecured
Atlas Pipeline	B2	B+	Energy	\$400	11/15/21	+ 322	11.875%	4.8%	Sr. Unsecured
Penn Virginia Resource	B2	B-	Energy	\$400	5/15/21	+ 510	16.250%	6.5%	Sr. Unsecured
Sonic Automotive	B3	BB-	Automotive Retail	\$300	5/15/23	+ 323	12.500%	5.0%	Sr. Unsecured
ION Geophysical	B3	B+	Energy	\$175	5/15/18	+ 738	20.313%	8.1%	Sr. Unsecured
iStar Financial Inc	B3	B+	Financial	\$300	7/1/18	+ 416	12.188%	4.9%	Sr. Unsecured
iStar Financial Inc	B3	B+	Financial	\$265	7/1/16	+ 353	9.688%	3.9%	Sr. Unsecured
Iracore International	B3	B	Industrial	\$125	6/1/18	+ 867	23.750%	9.5%	Sr. Secured
LBC Tank Terminal	B3	B	Utilities	\$350	5/15/23	+ 508	17.188%	6.9%	Sr. Unsecured
NXP	B3	B	Technology	\$750	6/1/18	+ 301	9.375%	3.8%	Sr. Unsecured
Seven Generations Energy	B3	CCC	Energy	\$400	5/15/20	+ 708	20.625%	8.3%	Sr. Unsecured
Safway Group Holding	B3	N/A	Electronics	\$560	5/15/18	+ 630	17.500%	7.0%	Sr. Unsecured
CHC Helicopter	Caa1	B-	Industrial	\$300	6/1/21	+ 799	23.438%	9.4%	Sr. Unsecured
Harron Communication	Caa1	B-	Communications	\$290	4/1/20	+ 569	22.813%	9.1%	Sr. Unsecured
Rolta	N/A	BB-	Technology	\$200	5/16/18	+ 1,005	26.875%	10.9%	Sr. Unsecured
BOE Intermediate	Caa2	CCC+	Industrial	\$285	11/1/17	+ 836	FRN	FRN	Sr. Unsecured
Tops Holding	Caa2	CCC+	Food Retail	\$150	6/15/18	PIK	FRN	FRN	Sr. Unsecured
Claire's Stores	Caa2	CCC	Apparel Retail	\$320	6/1/20	+ 662	19.375%	7.8%	Sr. Unsecured
Cash America	N/A	N/A	Consumer Finance	\$300	5/15/18	+ 501	14.375%	5.8%	Sr. Unsecured
Fomento Economico Mexicano	N/A	N/A	Construction	\$700	5/10/43	+ 145	10.938%	4.5%	Sr. Unsecured
Fomento Economico Mexicano	N/A	N/A	Construction	\$300	5/10/23	+ 113	7.188%	2.9%	Sr. Unsecured

Total Bond Volume	Week of 5/6/2013		2013 YTD		2012 YTD		YOY Change	
	\$MM	#	\$MM	#	\$MM	#	\$MM	#
Investment Grade	\$31,609	49	\$431,848	532	\$392,281	466	+10.1%	+14.2%
High-Yield	\$13,125	31	\$164,087	315	\$155,986	284	+5.2%	+10.9%
Total Corporates	\$44,734	80	\$595,935	847	\$548,267	750	+8.7%	+12.9%

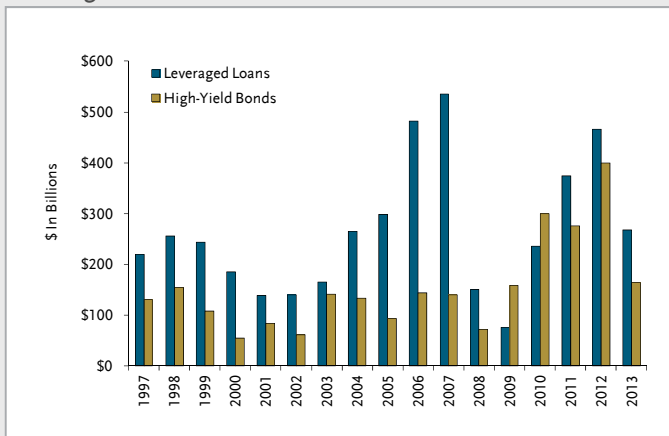
⁽¹⁾Bold transactions denote Piper Jaffray underwriting participation. Does not include Supranational, Foreign Denominations, Sovereign, Special Purpose Entities or Piper Jaffray issues.

Source: Piper Jaffray, Bloomberg

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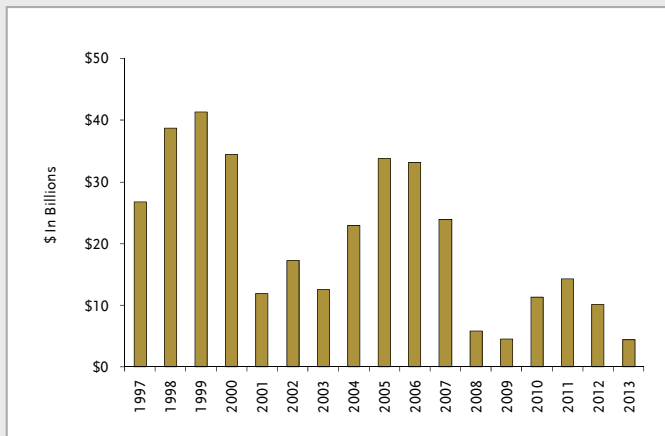
LOAN & BOND VOLUME

Leveraged Loan & HY Volume



Source: S&P LCD

Middle Market Loan Volume



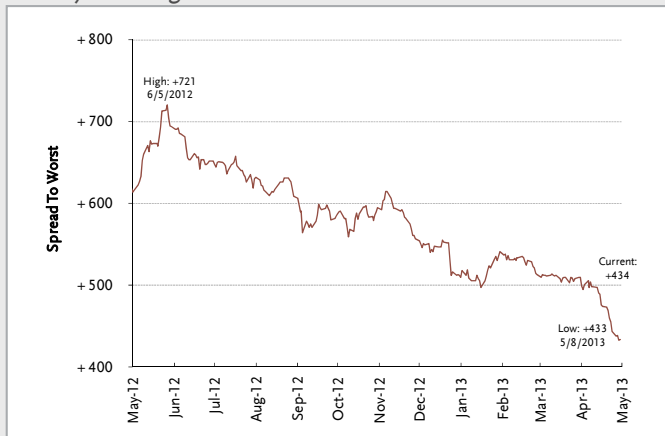
HIGH-YIELD INDEX SPREADS

Moody's Rating: Ba2



Source: Bloomberg

Moody's Rating: B2



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